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C O N F I D E N T I A L MANAGUA 000577

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SUBJECT: ALN MUST EMBRACE LOCAL LEADERS TO WIN BATTLE FOR

LIBERAL LEADERSHIP

REF: A. MANAGUA 0543

_B. MANAGUA 0487

_C. MANAGUA 0331

Classified By: Ambassador Paul Trivelli for reasons 1.4 (b and d)

- 11. (C) Summary: Nicaraguan Liberal Alliance (ALN) deputy Ramiro Silva believes that the ALN must work with local Liberal elected officials in order to win the battle for Liberal leadership with the Liberal Constitutional Party (PLC) and consolidate opposition forces. Silva holds ALN leader Eduardo Montealegre largely responsible for the party's failure to capitalize on post-election discontent with the PLC and attend to essential internal affairs. In reference to intimidation tactics used by the Sandinista Front (FSLN) against ALN members, Silva described a plan for organized shake downs against property owners in the department of Rivas, which could harm American investors as well. End Summary.
- 12. (C) Poloff met with ALN deputy Ramiro Silva on February 28 to discuss ALN liaison with Liberal mayors prior to the 2008 municipal elections and the state of ALN party cohesion. Silva, formerly a PLC youth leader in Managua, defected to the ALN in 2005 to support Eduardo Montealegre's presidential campaign. Victorious in the ALN's pre-election primaries to select National Assembly candidates, he was one of the few ALN leaders to effectively organize grassroots support for the party. A young, dark-skinned colloquial Spanish-speaker with a rheumy eye, the intelligent and energetic Ramirez belies the ALN's reputation as a party for the white elites.
- 13. (C) On the question of Liberal unity and the PLC's continued subservience to Aleman, Silva acknowledged that, since the elections, many PLC deputies and local leaders have become much more agitated with the Aleman-Ortega pact and Ortega's totalitarian push. He commented that the Liberal bases desire unity of the opposition, but without the influence of Aleman or his cronies. Silva agreed that the ALN must reach out to non-Arnoldista PLC deputies as well as members of the Convergencia (refs B and C) uncomfortable with Ortega's anti-democratic thrust.
- 14. (C) Silva energetically agreed that the ALN must cultivate mayors and town councilors tired of PLC leader Arnoldo Aleman's collaboration with President Ortega, especially where the PLC dominated the Liberal voting bloc. He commented that he already has a friendly relationship with group leader Bronley Alvarez and would attend the meeting with other ALN and PLC deputies scheduled for later in the day (Ref A). Silva also concurred that the ALN's efforts to cultivate elected Liberal officials at the local level has

been largely ineffective due to ALN deputy and mayoral liaison Jamileth Bonilla's distraction with other issues and her reputation as a political opportunist. He pledged to work closely with the mayors in an effort to block Aleman's pretensions to eliminate and subvert other leaders in the Liberal camp.

- 15. (C) While discussing Bonilla's complicated role, Silva blamed Montealegre for not solving the ALN's leadership problems (primarily between Bonilla and fellow ALN deputy/caucus chief Maria Eugenia Sequeira) and taking up the mantle of opposition leader. Despite Montealegre's assertions to the contrary, he repeated accusations that Montealegre has been muzzled by FSLN threats to prosecute him under charges related to the Cenis (bank bonds) scandal, noting that Montealegre recently opposed a proposal by ALN deputy Alejandro Bolanos to organize a protest march of newly-fired public employees. Poloff responded that the ALN deputies are not children and Montealegre is not their father/caudillo -- they must take the initiative to resolve personal differences for the good of the party and the country and not depend on one person.
- 16. (C) Poloff mentioned that Alejandro Bolanos (head of the National Assembly's Labor Commission) has been very assertive on labor rights and even convinced Managua Archbishop Leopoldo Brenes to publicly speak out on behalf of unjustly fired government employees. Silva concurred and noted that the FSLN has threatened to persecute Bolanos by using the partisan and corrupt court system to contrive charges related to the financing of his resort in Pueblo Viejo. Silva also mentioned Bolanos' vulnerability through property owned in the municipality of Tola (Rivas Department). He explained that the Sandinista mayor of Tola has a "business deal" with FSLN security chief Lenin Cerna, who controls the courts and police, and her husband, who controls a gang of about 50 professional "land invaders," whereby the three identify "soft target" property owners, invade their land under a specious pretext, and then demand a payoff. The property owners have no choice but to pay since the local government, police, and judges are all involved in the scam.
- 17. (C) Comment: The ALN has so far failed to capitalize on the mayors' and councilors' discontent with Aleman and their ability to influence Liberal tendencies at the grass roots level. The ultimate affiliation of the group led by Alvarez will greatly influence the leadership struggle in the Liberal camp and the outcome of the 2008 municipal elections. We will continue to cultivate young leaders like Ramirez, who are ambitious and relatively untainted by past power struggles.
 TRIVELLI